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IN THE

Supreme Court of the United States

OCTOBER TERM 1935.

No. 401.

UNITED STATES OF AMERICA, *Petitioner*,

v.

WILLIAM M. BUTLER ET AL., Receivers of Hoosac Mills Corporation.

On Writ of Certiorari to the United States Circuit Court of Appeals for the First Circuit.

Brief Filed by Leo P. Harlow (Al. Philip Kane of Counsel) Amicus Curiae on Behalf of Farmers' Independence Council of America.

LEO P. HARLOW,
AL. PHILIP KANE, *of Counsel,*
Amicus Curiae, on behalf of
Farmers' Independence Council of America.

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FOREWORD.

This brief is filed on behalf of the Farmers' Independence Council of America. Herein we point out briefly the reasons for which we deem the Agricultural Adjustment Act (Ap-

proved May 12, 1935, Chapter 25, 48 Statutes 31) and the processing taxes invalid under the Constitution and unwise as an agricultural policy.

SUMMARY.

The argument may be summarized as follows: The purpose and effect of the Act is to reduce the supply and raise the prices of certain commodities. This is accomplished by means of buying the assent of farmers to a crop reduction program under such conditions that they will make more money currently by assenting than they will by retaining their right to individual judgment. It is also aided by a charge called a tax which is intended to close the gap between prices and a theoretical fair exchange value. Such a scheme deprives the states and the people of the control over private business which they reserved in the Tenth Amendment. The cases under the Commerce Clause support the contention that the powers exercised are beyond the powers of Congress. The taxes are levied for a purpose which is not public, but is substantially a taking from one class and giving to members of another; they are fixed upon an unreasonable basis; the control features are not necessary incidents to a tax law; in fact the taxes are such in name only; for these reasons they are invalid under the Fifth Amendment. The taxes cannot be justified under the general welfare clause unless these words are to be given such force as to wipe out much of the rest of the Constitution. The act is not in fact a measure for general welfare. Legislative power is improperly delegated to the Secretary of Agriculture to determine the control to be exercised over crops, to select commodities to be taxed, to fix the tax rate and to decide on its duration. This delegation of power is not necessary to the raising of revenue, but only to exert powers which Congress may not exercise. Such shifting of responsibility for legislation to an executive may not be done directly nor may it be done indirectly by ratification.

CONTROL UNDER THE AGRICULTURAL ADJUSTMENT ACT.

There is no need to enlarge upon the purpose of the Agricultural Adjustment Act and the taxes. Briefly, the purpose is declared in Section 2, to wit, to re-establish the purchasing power for certain commodities to that existing in the base period. The Secretary of Agriculture is authorized to lay a tax (Sec. 9) upon such basic agricultural commodities as he chooses to control (Sec. 8) in such amount that the tax will tend to equalize the difference between present purchasing power and purchasing power in 1909 to 1914 (Sec. 2). The amount first to be considered is the difference between "current farm prices" and "fair exchange value" (Sec. 9(b)) or it may be any other amount which will prevent accumulation of surplus and will tend to effectuate a declared policy of resurrecting purchasing power (Sec. 9(a) & 9(b)) to that which existed in 1909-1914. The Secretary is authorized to make exceptions (Sec. 11) or refunds (Sec. 15(a)) if the tax bears too heavily on any commodity. He may in his discretion tax competing commodities (Sec. 15(d)) in order to offset the disadvantages in competition caused by the tax. He may spend the proceeds of the taxes for expansion of markets, removal of surplus, rental or benefit payments, administrative expense, or refunds (Sec. 12). Rental or benefit payments are to be made to any farmer who will agree to reduce his production of a crop (Sec. 8), which the Secretary must control through agreements as a prerequisite to imposing the tax (Sec. 9). The agreements to reduce production are upon such terms as the Secretary wishes to make, the amount he pays is within his discretion (Sec. 8). The tax continues so long as the Secretary continues to control the crop (Sec. 9(a)) but no longer.

CONTROL THROUGH CROP REDUCTION CONTRACTS.

The cotton farmer who decides to participate in benefit payments must under the 1935 contract agree as follows:

1. Reduce the acreage to be planted to cotton in 1935 on the farm described in section III of this contract (hereinafter referred to as "this farm") by not less than twenty-five per cent (25%) and not more than thirty-five per cent (35%) below the base acreage[1] and hereby rents to the Secretary for 1935 an acreage of cotton land equal to not less than twenty-five per cent (25%) nor more than thirty-five per cent (35%) of the base acreage, as stated in item (d) of section IV. The acres hereby rented to the Secretary are referred to hereinafter as the "rented acres." All undertakings of the producer herein set forth are covenants which shall run with the land and shall bind all future purchasers, lessees, tenants, and encumbrances of this farm or any part thereof. The rented acres on this farm shall be posted in such manner as the Secretary or his authorized agent may direct.

2. Not grow cotton during 1935 on land owned, operated, or controlled by him unless such land is covered by a 1934 and 1935 Cotton Acreage Reduction Contract, except as provided in administrative rulings.

3. Not include in the rented acres waste, gullied, or eroded land. The rented acres shall be tillable land suited to the growing of cotton and shall represent in productivity a fair average of the cotton land on this farm.

4. Not increase in 1935 above 1933 or 1934, except as may be permitted under a contract between the producer and the Secretary, the acreage planted to peanuts, rice, tobacco, or wheat for sale.

5. Use the rented acres only for: Soil-improving crops; erosion-preventing crops; food crops for consumption on this farm; feed crops for the production

[1] The base acreage shall be determined as prescribed in Administrative Ruling No. 2, Cotton 106.

of livestock or livestock products for consumption or use on this farm; or fallowing; or such other uses as may be permitted by the Secretary or his authorized agent.

6. Permit access to this farm to any authorized agent of the Secretary and to any records, regardless of where located, pertaining to the production and/or sale of cotton on or from this farm and expressly waives any right to have such records kept confidential.

7. Endeavor in good faith to bring about the reduction of acreage contemplated in this contract in such a manner as to cause the least possible amount of labor, economic, and social disturbance, and to this end, insofar as possible, he shall effect the acreage reduction as nearly ratably as practicable among tenants on this farm; shall, insofar as possible, maintain on this farm the normal number of tenants and other employees; shall permit all tenants to continue in the occupancy of their houses on this farm, rent free, for the year 1935 (unless any such tenant shall so conduct himself as to become a nuisance or a menace to the welfare of the producer); during such year shall afford such tenants or employees, without cost, access for fuel to such woods land belonging to this farm as he may designate; shall permit such tenants the use of an adequate portion of the rented acres to grow food and feed crops for home consumption and for pasturage for domestically used livestock; and for such use of the rented acres shall permit the reasonable use of work animals and equipment in exchange for labor.

8. Nor sell, transfer, or assign, in whole or in part, this contract, or his right to or claim for payments under this contract, and shall not execute any power of attorney to collect such payments and any sale or assignment, order or power of attorney shall be null and void, except that the producer may pledge or hypothecate the rental payment due to him under this contract for the purpose of obtaining funds for carrying on the current operation of this farm and such pledge or hypothecation shall operate to establish an interest or right on the part of the pledgee in and to

said rental payment as against any other person or persons, but the pledge or hypothecation thereof shall not alter the provisions of paragraph 13 that rental checks drawn in compliance with this contract shall be made payable to the payee therein designated. If the rental payment herein provided for shall have been pledged by the producer and the payee herein designated notified of this pledge, then and in that event, such payee, whether he be the producer or another, shall receive the rental payment hereunder in trust for the benefit of the pledgee and shall be responsible to the pledgee therefor. The insertion of the name of any person as pledgee in paragraph 13 shall constitute a representation that a pledge has been made, to the person so designated, in conformity with the provisions of this paragraph for the purpose of obtaining funds (or credit) for carrying on the current operation of this farm in 1935 and for no other purpose.

9. Comply with the terms hereof and of all regulations or administrative rulings which have been or may hereafter be prescribed by the Secretary with reference to 1934 and 1935 Cotton Acreage Reduction Contracts, and any violation of said terms, regulations or rulings, or any material misstatement herein or in any information furnished by the producer, shall be grounds for the cancellation of this contract by the Secretary. In the event of such cancellation, the producer shall repay to the Secretary any sum(s) theretofore paid hereunder to the producers. The determination of the Secretary that any such violation or misstatement has occurred shall be final and conclusive.

Similar provisions are found in other crop reduction agreements. It cannot be more definitely stated than in the agreements themselves that a farmer who accepts federal money must part with the right to make his own decisions and be bound to do or not to do what has been or will be decided in Washington.

There can be no doubt that at the prices paid by the Secretary acreage has been reduced. The Consumer's Guide,

issued by the Consumers Counsel of the Agricultural Adjustment Administration, for September 16, 1935, estimates that in 1935 one in every twelve acres has been shifted to other crops or retired from production, a total of 30,000,000 acres in the United States; and that a greater acreage was affected in 1934.

The Secretary of Agriculture himself has evaluated the force of the control scheme in his 1934 Report at page 4: "In 1933 the cooperating cotton farmer growing 75 acres received about $1,707 for the lint. For the lint from 100 acres the non-cooperating farmer received only $1,663." . . . "In addition the cooperating farmers save on fertilizer, twine, and other expenses of production" . . . Failure to cooperate is an expensive luxury.

CONTROL THROUGH THE TAX.

At the same time the tax rate is operating to fix an artificial price for farm commodities. Such raising of prices cannot fail to restrict the demand. The farmer is thus made more dependent than ever on benefit payments not knowing whether or not the taxes have over shot the mark and reduced the demand more than production is reduced.

A farmer who has not signed an agreement may wish to use his land to produce a crop free from the restrictive powers of the government, but he will be unable to choose such a crop with any certainty, for at any moment a compensating tax may be levied under section 15(d) on the commodity he has chosen, or as has already happened several times Congress may discover that shifts are being made from a taxed crop to another crop and may provide for a crop reduction program for the new crop. Thus one who shifted from cotton to peanuts in 1933 found peanuts among the commodities subject to control under the Act of May 9, 1934. If he again shifted to potatoes, he found that the Act of August 24, 1935 included potatoes.

A farmer who has signed the crop reduction agreement

may find himself precluded from shifting to any other profitable crop and forced either to allow his land to be idle or to raise food and forage for use at home. If the land is left idle it may be subject to erosion or become infested with weeds. If it is planted to a crop to be ploughed under, expense and labor will be incurred without return. If planted to food and forage to be used on the farm, the balance of production is upset and those who have depended on selling similar food and forage crops find themselves with a reduced market and without government aid.

The scheme of control is such that continuation of any part of it must lead to eventual federal control of practically every agricultural activity.

FEDERAL CONTROL NOT CONSISTENT WITH A LIMITED FEDERAL GOVERNMENT.

Such control we submit is not in accordance with the limited federal government established by the constitution, wherein the powers of Congress are strictly defined and the balance of all powers are reserved to the States and the people.

U. S. v. *Cruikshank,* 92 U. S. 542.
Marbury v. *Madison,* 1 Cranch 137.
McCulloch v. *Maryland,* 4 Wheat. 316.
U. S. v. *Dewitt,* 9 Wall. 41.
Kansas v. *Colorado,* 206 U. S. 46.
Gibbons v. *Ogden,* 9 Wheat. 1.
Hammer v. *Dagenhart,* 247 U. S. 251.
Schechter v. *U. S.,* 295 U. S. 495.

Under the form of government heretofore defined the power to accomplish an end and the means to accomplish it must be found within the powers delegated to Congress before Congress may properly act. The control of farm operations, the imposition of "taxes" to raise prices, and the expenditure of tax money to carry into execution a scheme

for control of agriculture are all beyond any of the powers delegated to Congress by the Constitution.

In fact such purposes are very close to those which the people have reserved to themselves. *New State Ice Co.* v. *Liebmann,* 285 U. S. 262; *Fairmont Creamery* v. *Minnesota,* 274 U. S. 1. Such powers may be exercised by a *state* only under extraordinary circumstances. *Nebbia* v. *New York,* 291 U. S. 502.

Authorization for the passage of the Agricultural Adjustment Act cannot be based upon the statement by Congress in the Declaration of Emergency prefacing the Act that "conditions in the basic industry of agriculture have affected transactions in agricultural commodities with a national public interest." The Act on its face is not an emergency measure and this court has already said of a similar situation in industry that "extraordinary conditions do not create or enlarge constitutional power." (*Schechter* v. *United States,* 295 U. S. 495.)

THE ACT EXCEEDS THE COMMERCE POWER.

The requisite authorization cannot be derived from the commerce clause. The production of agricultural commodities is entirely an intrastate operation, and is therefore subject to regulation, if at all, only by the several States. A declaration by Congress cannot make agriculture an interstate matter.

Kidd v. *Pearson,* 128 U. S. 1.
Crescent Cotton Oil Co. v. *Mississippi,* 257 U. S. 129.
Utah Light & Power Co. v. *Pfost,* 286 U. S. 165.
Chassaniol v. *City of Greenwood,* 291 U. S. 584.

The mere probability that a commodity will ultimately be sent to another State does not bring its production within interstate commerce, nor does such production directly affect or burden the stream of interstate commerce.

United Leather Workers v. *Herkert,* 265 U. S. 457.

Schechter v. *United States*, 295 U. S. 495, removed any doubts which might have existed about the applicability of the stream of commerce concept to this Act. Since the stream of commerce concept was there held inapplicable once the subject-matter had reached its destination, *a fortiori* such a concept does not apply to merchandise which has not yet sprung from the soil, nor to merchandise which has not yet entered interstate commerce. (See also *Railroad Retirement Board* v. *Alton R. Co.*, 295 U. S. 330.)

Such intrastate affairs are beyond the control of Congress. As the court said in *United States* v. *Dewitt*, 9 Wall. 41:

> "That Congress has power to regulate commerce with foreign nations and among the several states and with the Indian tribes, the Constitution expressly declares. But this express grant of power has always been understood as limited by its terms; and as a virtual denial of any power to interfere with internal trade and business of the separate states; except indeed as a necessary and proper means for carrying into execution some other power expressly granted or vested."

THE ACT EXCEEDS THE TAXING POWER.

The tax is levied as a charge to adjust prices to a higher level (Sec. 9), and it is to be spent to reduce production and further increase prices. (Sec. 12.) It is collected from the industrial class. It is paid to members of the farming class who are willing to sell their right to private initiative. If it is permitted it could as well be levied and expended *mutatis mutandis*. It is clearly not poor relief for the test of the recipients is compliance rather than poverty. The benefit of a selected group or activity is not a proper public purpose under the Fifth Amendment for the taking or use of the property of any class of citizens.

Loan Association v. *Topeka*, 20 Wall. 655.
Railroad Retirement Board v. Alton, 295 U. S. 330.

Louisville Joint Stock v. *Radford*, 295 U. S. 555.
People v. *Salem*, 20 Mich. 452.

The tax may be entirely unreasonable in amount. It may be so great as to deprive a farmer of a market for what he raises. The only protection against such effects is the discretion of the Secretary of Agriculture. We believe we have already detected a shift of consumer demand from pork products to other products on account of the high prices in part, at least, caused by this Act. A tax must be upon a reasonable basis or it violates the Fifth Amendment.

Heiner v. *Donnan*, 285 U. S. 312.
Nichols v. *Coolidge*, 274 U. S. 531.
Hoeper v. *Tax Commission of Wisconsin*, 284 U. S. 206.

The tax is in purpose and effect a part of a control measure, starting with the control, figured so as to advance the control, continuing throughout the control, spent for control. It is an inseparable part of the attempt to raise prices which is the reason for existence of the Act. The other provisions of the Act are not calculated to preserve revenues but rather to destroy them by reducing the supply of the thing taxed. The control features are in no way incidental to the tax, for the tax is incidental to the regulation. Where it clearly appears that from the Act itself that its purpose is something beyond the power of Congress the garments of taxation lend it no authority.

Hill v. *Wallace*, 259 U. S. 44.
Bailey v. *Drexel Furniture Co.*, 259 U. S. 20.

See also *Magnano* v. *Hamilton*, 292 U. S. 40.

Any other principle would permit Congress at will to disregard the bill of rights and all its limitations and legislate in any field, even to the point of effecting a substantial change in the form of government.

The General Welfare Clause Does Not Extend the Legislative Power of Congress.

No authority for the control here exercised is found in the general welfare clause, unless indeed the clause is to be made the means of undoing the Constitution.

Under the theory advanced by Madison in the light of his intimate connection with drawing and expounding the Constitution, which we submit is the correct one, the power of Congress to lay and apply taxes is limited to the enumerated powers. If that theory is followed it is clear that the powers exercised in this Act were not granted to Congress.

The theory later proposed by Hamilton in his Report on Manufacturers leads to an anomalous result, for thereunder, if carried to the extreme advanced by the petitioner, Congress would have the power to tax one group and with the proceeds carry into effect any scheme to control any person or group of persons, in spite of the clear provisions of the Fifth and Tenth Amendments. But Hamilton himself in his famous Report admits that there is still a limitation contained in this clause such that Congress may raise and apply taxes only for purposes which are general and not local. Monroe, frequently quoted as supporting the Hamiltonian theory, in the message on the Cumberland Road Bill clearly indicated that however broad the power to appropriate, still it did not carry with it the power to legislate or carry a scheme into execution beyond the granted powers.

Even under the Hamiltonian theory, no authority is found for this Act, for its effect is limited to selected members of a class in one particular means of livelihood. It is not general in application. It is an attempt to do exactly what Monroe said could not be done, an attempt to carry into execution by force of the appropriating power a scheme of regulation beyond the enumerated powers of Congress.

Decisions of this Court support the proposition that this Act goes beyond any powers which may be read into the words "general welfare."

In *Nebbia* v. *United States,* 291 U. S. 502 at page 524 the power of the United States to promote the general welware is discussed and it is there stated that the national power is limited to matters committed to the United States by the Constitution, the States reserving all power to promote the general welfare touching all subjects not surrendered to the federal government.

In *Louisville Joint Stock Land Bank* v. *Radford,* 295 U. S. 555, declaring invalid a moratorium provided for farm mortgages, this Court refused to consider arguments that such a provision could be justified as a measure to promote the general welfare, and limited its consideration to the effect of the Fifth Amendment. In reaching the conclusion to reject such arguments the court must necessarily have determined that the general welfare clause grants no powers in excess of the limitations of the Fifth Amendment.

Upon the principle that the means selected by Congress must bear a reasonable relation to a legitimate end (*Railroad Retirement Board* v. *Alton R. Co.,* 295 U. S. 330, 347, note 5) the question may be raised whether or not this Act is in fact for the general welfare.

At a time of unemployment and lack of purchasing power, it is inconceivable that levying a tax on manufacturers of from 30 per cent to 50 per cent of the value of cotton which they must purchase will increase employment or the purchasing power of those employed either by the mills or by growers of cotton, or will increase the demand for cotton.

Under the terms of cotton acreage reduction contracts entered into by producers, each producer agrees to reduce the acreage to be planted to cotton by 25%-30% of a specified base acreage. Such a reduction must of necessity result in unemployment and a lessening of purchasing power. That the government anticipates such results is apparent from the provisions of the contract, whereby the producer agrees to "endeavor in good faith to bring about the reduction of acreage contemplated in this contract in such a

manner as to cause the least possible amount of labor, economic and social disturbance," and to "insofar as possible, maintain on this farm the normal number of tenants and other employees." Such agreements are futile, for how can farmers employ the same number of hands when one out of every twelve cultivated acres have been shifted or retired from basic crops during the past year? Is such a result for the welfare of the farmers thus thrown out of work, or for the welfare of employed farmers who must pay increased taxes to provide federal and state relief for the unemployed?

The reduction of the available supply of basic agricultural commodities is subject to the same objection as a forced increase in price. Our farming facilities are necessarily reduced and put in a dormant and nonproductive condition to accomplish the reduction. Foreign farms not subject to the restrictions are free to expand and improve. It is a slow and arduous process to reinstate crops on idle land. Meanwhile foreign farmers reap the benefit of any enforced deficiency in supply and are put in favorable position to compete with their active fields against ours, which are weed grown, eroded or not fertilized. Throughout this year newspapers have from time to time commented on the competition we must meet from Brazilian cotton or foreign wheat now being imported.

If a shortage in basic agricultural commodities does not occur it will be because the higher prices force the people of the United States, to get along with less wheat, corn, cotton, etc., and thus reduce the available market for such commodities. Such results are not for the welfare of those who are unable to buy necessities nor are they for the welfare of the farmers who raise basic or other commodities.

The Act Improperly Delegates Legislative Power to the Secretary of Agriculture.

Whatever may be the powers of Congress to effect the control attempted in this Act, it is submitted that in the Act

which it passed it left to the absolute discretion of the Secretary of Agriculture all the essential decisions to be made including a determination of the rate of tax, which commodities to tax and in what amount, and which crop to restrict and in what amount. In short, Congress delegated to an executive officer legislative powers which under the Constitution it alone can exercise.

The only standard laid down is the effectuation of a declared policy. The policy is to reestablish the purchasing power of certain commodities, but at the same time to protect consumers interests and to have due regard to domestic and foreign markets. These we submit are by no means sufficiently definite to relieve the Act of this objection. This Court has already had occasion to consider similar standards promulgated in the National Industrial Recovery Act, and has unequivocally held that in that act there was an unconstitutional delegation of legislative power to an executive officer. (*Schechter* v. *U. S.*, 295 U. S. 495; *Panama Refining Co.* v. *Ryan*, 293 U. S. 388).

The Secretary is given no guide to determine when to undertake reduction of a crop, which of several crops to reduce, how much to reduce it or when to stop. He is unlimited in power to make regulations and as shown by the clauses from a crop reduction contract above quoted he has used a free hand in laying down such regulations and has seen fit to bind assenting farmers to any further regulations he may impose in the future. Such regulations are substantially a legislative act in themselves. The effect of such legislation by regulation is not upon assenting farmers alone, but bears fully on consumers and upon non-assenting farmers who are trying to decide what crops will be marketable.

The tax features of the Act carry out this principle of administrative legislation. The tax begins and ends with the determination of the Secretary to control a crop. The rate is to be such rate as will effectuate the declared policy (9(a)). So far as any guide is given the Secretary in de-

termining the rate, subject to his discretion to discard or revise, he is to compute the difference between "fair exchange value" and "current average farm price." Neither of these figures is susceptible of accurate determination, but is subject to individual interpretation and opinion. The rates as determined have not conformed to the "formula" notably in the case of hogs. (The "formula" indicated a tax of $4.28, the initial tax rate was 50c per cwt.)

As with the attempt to intrude through the power of its money upon the rights of the people, this shifting to the executive of broad legislative powers shows an intention to depart from our traditional form of limited government with limits and checks upon each department and to substitute an unlimited government in which the executive is free from restraints.

A study of the Act discloses the true motive behind its passage, which is not the raising of revenue necessary for the maintenance of a federal government, but the purchasing of control of agriculture. If delegation of power is necessary it is for this reason and not for the purpose of raising revenue. In order to achieve this purpose, money is taken from one class under the guise of taxes and paid over to those of another class who will enter into agreements with the government looking to reduction in the production of basic agricultural commodities. It is erroneous to style such agreements as voluntary, for producers of these commodities cannot compete with those who receive rental and benefit payments unless they likewise make themselves eligible for such aid, and submit to control. We have now seen that such control is not determined by Congress, but by administrative officers in the free exercise of their personal discretion.

Congress attempted in its amendments of August 24, 1935, to ratify the taxes levied and other acts done by the Secretary of Agriculture under the authority of the Act as originally enacted. But it is elementary that a principal

cannot ratify what he could not authorize. Congress obviously cannot delegate its legislative powers to an executive officer. Can it be permitted to later validate what has been done by an agent it could not empower?

United States v. *Heinszen,* 206 U. S. 370, when carefully examined seems to require that legislative action taken under an improper delegation of power may not be ratified. Such a rule is essential if Congress and the executive departments are to be kept within the spheres allotted to them by the people in the Constitution.

It is submitted that in this Act, as in the National Industrial Recovery Act, there is an unprecedented departure from constitutional principles which have safeguarded the lives, liberty and property of the American people from the inception of our government. If this Act is upheld, an Act burdening the agricultural class for the benefit of the industrial population would be more than remote possibility. As was said by the Court in *Panama Refining Co.* v. *Ryan,* 293 U. S. 388, "The question is not of the intrinsic importance of the particular statute before us, but of the constitutional processes of legislation which are an essential part of our system of government."

Tariffs and Processing Taxes.

It has been argued by some that the processing tax is the farmer's tariff, and that it should be permitted for that reason. The analogy will not bear analysis. The tariff is used as general revenue of the Government for the benefit of all the people. The processing tax is used as revenue for a special group. None of the tariff duties are paid to manufacturers to reduce production. All of the processing taxes are paid to a portion of the farming population to reduce our supply of certain basic commodities. The tariff increase domestic employment. The processing tax decreases domestic employment, both on the farms and in the mills. The tariff increases domestic buying power by

protecting our scale of wages. The processing tax makes no such increase for it takes from one group as much as it gives to another, and in fact limits the buying power of the country as a whole by increasing the price of agricultural commodities to consumers.

Respectfully submitted,

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